

**Registration number SC128765**

**Dumfries Freight Limited**

**Abbreviated accounts**

**for the year ended 30 November 2004**



## **Dumfries Freight Limited**

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## **Dumfries Freight Limited**

### **Director's report for the year ended 30 November 2004**

The director presents this report and the accounts for the year ended 30 November 2004.

#### **Principal activity and review of the business**

The principal activity of the company is the provision of road haulage services.

#### **Results and dividends**

The results for the year are set out on page 3.

The directors do not recommend payment of a final dividend.

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>30/11/04</b>	<b>01/12/03</b>
Paul Lutton	3,021	3,021

#### **Charitable and Political Contributions**

During the year the company contributed £696 to charities.

#### **Director's responsibilities**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that John MacMahon & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 29 September 2005 and signed on its behalf by

**Sadie Lutton**



**Independent auditors' report to Dumfries Freight Limited  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 5 to 16 together with the financial statements of Dumfries Freight Limited for the year ended 30 November 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 November 2004, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with that provision.



**John MacMahon & Co  
Chartered Accountants and  
Registered Auditor**

**29 September 2005**

**112 Camlough Road  
NEWRY  
Co. Down  
BT35 7EE**

# Dumfries Freight Limited

## Abbreviated profit and loss account for the year ended 30 November 2004

		Continuing operations	
		2004	2003
	Notes	£	£
<b>Gross profit</b>		3,639,797	3,196,388
Administrative expenses		(3,286,875)	(2,727,082)
<b>Operating profit</b>	<b>2</b>	<u>352,922</u>	<u>469,306</u>
Other interest receivable and similar income	<b>3</b>	5,302	1,930
Interest payable and similar charges	<b>4</b>	<u>(19,278)</u>	<u>(11,263)</u>
<b>Profit on ordinary activities before taxation</b>		338,946	459,973
Tax on profit on ordinary activities	<b>7</b>	<u>(50,258)</u>	<u>(111,244)</u>
<b>Profit on ordinary activities after taxation</b>		288,688	348,729
Dividends	<b>8</b>	-	(50,000)
<b>Retained profit for the year</b>		<u>288,688</u>	<u>298,729</u>
Retained profit brought forward		2,081,784	1,783,055
<b>Retained profit carried forward</b>		<u><u>2,370,472</u></u>	<u><u>2,081,784</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 14 form an integral part of these financial statements.

# Dumfries Freight Limited

## Abbreviated balance sheet as at 30 November 2004

		2004		2003	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		2,619,982		2,099,248
<b>Current assets</b>					
Stocks	10	3,872		4,728	
Debtors	11	977,583		866,338	
Cash at bank and in hand		153,291		200,285	
		<u>1,134,746</u>		<u>1,071,351</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(951,823)</u>		<u>(763,688)</u>	
<b>Net current assets</b>			<u>182,923</u>		<u>307,663</u>
<b>Total assets less current liabilities</b>			2,802,905		2,406,911
<b>Creditors: amounts falling due after more than one year</b>	13		(255,224)		(145,737)
<b>Provisions for liabilities and charges</b>	14		(173,188)		(175,369)
<b>Net assets</b>			<u>2,374,493</u>		<u>2,085,805</u>
<b>Capital and reserves</b>					
Called up share capital	16		4,021		4,021
Profit and loss account			2,370,472		2,081,784
<b>Shareholders' funds</b>	17		<u>2,374,493</u>		<u>2,085,805</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 29 September 2005 and signed on its behalf by

  
Paul Lutton  
Director

The notes on pages 6 to 14 form an integral part of these financial statements.

# Dumfries Freight Limited

## Cash flow statement for the year ended 30 November 2004

	Notes	2004 £	2003 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		352,922	469,306
Depreciation		175,414	217,018
Decrease in stocks		856	6,544
(Increase) in debtors		(111,172)	(36,304)
Increase in creditors		167,317	(21,097)
<b>Net cash inflow from operating activities</b>		<u>585,337</u>	<u>635,467</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		585,337	635,467
Returns on investments and servicing of finance	18	(14,049)	(9,333)
Taxation	18	(74,111)	(83,627)
Capital expenditure	18	(490,608)	(278,435)
		<u>6,569</u>	<u>264,072</u>
Equity dividends paid		-	(50,000)
		<u>6,569</u>	<u>214,072</u>
Financing	18	(67,248)	-
<b>Decrease in cash in the year</b>		<u>(60,679)</u>	<u>214,072</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 19)</b>			
<b>Decrease in cash in the year</b>		(60,679)	214,072
Cash outflow from increase in debts and lease financing		67,248	-
		<u>6,569</u>	<u>214,072</u>
Change in net funds resulting from cash flows		(205,540)	(190,398)
New finance leases and hire purchase contracts		(198,971)	23,674
<b>Movement in net debt in the year</b>		(166,847)	(190,521)
<b>Net debt at 1 December 2003</b>		<u>(166,847)</u>	<u>(166,847)</u>
<b>Net debt at 30 November 2004</b>		<u>(365,818)</u>	<u>(166,847)</u>

## **Dumfries Freight Limited**

### **Notes to the abbreviated financial statements for the year ended 30 November 2004**

..... continued

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention .

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	No depreciation
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	Straight line over the useful life ranging from 3 to 8 years
Lorries	-	20% Reducing balance
Trailers	-	Straight line over the useful life ranging from 5 to 10 years

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.5. Stock**

Stock is valued at the lower of cost and net realisable value.

##### **1.6. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

##### **1.7. Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

##### **1.8. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.



# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

<b>2. Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	269,796	219,726
Auditors' remuneration	5,957	6,000
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	94,382	2,708
Profit on foreign currencies	(5,572)	(13,987)
	<u>          </u>	<u>          </u>
<b>3. Interest receivable and similar income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	5,302	1,930
	<u>          </u>	<u>          </u>
<b>4. Interest payable and similar charges</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interest payable on loans < 1 yr	5,089	-
Hire purchase interest	14,189	11,263
	<u>          </u>	<u>          </u>
	19,278	11,263
	<u>          </u>	<u>          </u>
<b>5. Employees</b>		
<b>Number of employees</b>	<b>2004</b>	<b>2003</b>
The average monthly numbers of employees	<b>Number</b>	<b>Number</b>
(including the director) during the year were:		
	29	27
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	550,683	362,522
Other pension costs	-	5,267
Overnights and expenses	262,278	233,047
	<u>          </u>	<u>          </u>
	812,961	600,836
	<u>          </u>	<u>          </u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

<b>5.1. Directors' emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	25,000	25,000
Pension contributions	-	5,267
	<u>25,000</u>	<u>30,267</u>
 Number of directors to whom retirement benefits are accruing under a money purchase scheme	 1	 1

### **6. Pension costs**

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £NIL (2003 - £5,267).

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

### 7. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	52,311	73,982
Adjustments in respect of previous periods	128	(30)
	<u>52,439</u>	<u>73,952</u>
Total current tax charge	<u>52,439</u>	<u>73,952</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(2,181)	37,292
Total deferred tax	<u>(2,181)</u>	<u>37,292</u>
Tax on profit on ordinary activities	<u>50,258</u>	<u>111,244</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>338,946</u>	<u>459,973</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 November 2003 : 30%)	64,400	137,992
<b>Effects of:</b>		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	1,353	3,048
Capital allowances for period in excess of depreciation	(13,442)	(35,484)
Adjustments to tax charge in respect of previous periods	128	(30)
Marginal relief	-	(31,574)
Current tax charge for period	<u>52,439</u>	<u>73,952</u>

### 8. Dividends

	2004 £	2003 £
<b>Dividends on equity shares:</b>		
Ordinary shares - interim paid	-	50,000

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

9.	Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Lorries £	Trailers £	Total £
	<b>Cost</b>						
	At 1 December 2003	757,108	55,620	65,561	1,346,563	994,571	3,219,423
	Additions	524,600	-	-	272,000	80,500	877,100
	Disposals	-	(55,620)	-	(75,000)	(85,250)	(215,870)
	At 30 November 2004	<u>1,281,708</u>	<u>-</u>	<u>65,561</u>	<u>1,543,563</u>	<u>989,821</u>	<u>3,880,653</u>
	<b>Depreciation</b>						
	At 1 December 2003	-	-	53,327	729,298	337,550	1,120,175
	On disposals	-	-	-	(54,994)	(74,306)	(129,300)
	Charge for the year	-	-	5,727	150,461	113,608	269,796
	At 30 November 2004	<u>-</u>	<u>-</u>	<u>59,054</u>	<u>824,765</u>	<u>376,852</u>	<u>1,260,671</u>
	<b>Net book values</b>						
	At 30 November 2004	<u>1,281,708</u>	<u>-</u>	<u>6,507</u>	<u>718,798</u>	<u>612,969</u>	<u>2,619,982</u>
	At 30 November 2003	<u>757,108</u>	<u>55,620</u>	<u>12,234</u>	<u>617,265</u>	<u>657,021</u>	<u>2,099,248</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	<u>540,380</u>	<u>81,487</u>	<u>457,283</u>	<u>28,017</u>
10. Stocks			2004 £	2003 £
Finished goods and goods for resale			<u>3,872</u>	<u>4,728</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

<b>11. Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	892,900	774,730
Other debtors	41,180	45,435
Prepayments and accrued income	43,503	46,173
	<u>977,583</u>	<u>866,338</u>
 <b>12. Creditors: amounts falling due within one year</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
Bank overdraft	13,684	-
Net obligations under finance leases and hire purchase contracts	250,200	221,395
Trade creditors	406,562	270,280
Corporation tax	52,311	73,982
Other taxes and social security costs	80,016	34,997
Directors' accounts	20,257	-
Other creditors	117,140	123,561
Accruals and deferred income	11,653	39,473
	<u>951,823</u>	<u>763,688</u>
 <b>13. Creditors: amounts falling due after more than one year</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
Bank loan	216,177	-
Net obligations under finance leases and hire purchase contracts	39,047	145,737
	<u>255,224</u>	<u>145,737</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

### 14. Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 December 2003	175,369	175,369
Movements in the year	2,181	2,181
At 30 November 2004	<u>173,188</u>	<u>173,188</u>

### 15. Provision for deferred taxation

	2004 £	2003 £
Accelerated capital allowances	<u>173,188</u>	<u>175,369</u>
Provision at 1 December 2003	175,369	
Deferred tax charge in profit and loss account	(2,181)	
Provision at 30 November 2004	<u>173,188</u>	

### 16. Share capital

	2004 £	2003 £
<b>Authorised</b>		
100,000 Ordinary shares of 1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
4,021 Ordinary shares of 1 each	<u>4,021</u>	<u>4,021</u>

**Dumfries Freight Limited**

**Notes to the abbreviated financial statements  
for the year ended 30 November 2004**

..... continued

<b>17. Reconciliation of movements in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit for the year	288,688	348,729
Dividends	-	(50,000)
	<u>288,688</u>	<u>298,729</u>
Opening shareholders' funds	2,085,805	1,787,076
Closing shareholders' funds	<u>2,374,493</u>	<u>2,085,805</u>
<b>18. Gross cash flows</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	5,229	1,930
Interest paid	(19,278)	(11,263)
	<u>(14,049)</u>	<u>(9,333)</u>
<b>Taxation</b>		
Corporation tax paid	(74,111)	(83,627)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(671,560)	(316,157)
Receipts from sales of tangible assets	180,952	37,722
	<u>(490,608)</u>	<u>(278,435)</u>
<b>Financing</b>		
New long term bank loan	216,177	-
Capital element of finance leases and hire purchase contracts	(283,425)	-
	<u>(67,248)</u>	<u>-</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2004

..... continued

### 19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	200,285	(46,994)		153,291
Overdrafts	-	(13,684)		(13,684)
	<u>200,285</u>	<u>(60,678)</u>		<u>139,607</u>
Debt due after one year	-	(216,177)	-	(216,177)
Finance leases and hire purchase contracts	(367,132)	283,425	(205,540)	(289,247)
	<u>(367,132)</u>	<u>67,248</u>	<u>(205,540)</u>	<u>(505,424)</u>
<b>Net funds</b>	<u>(166,847)</u>	<u>6,570</u>	<u>(205,540)</u>	<u>(365,817)</u>